

**Remarks of  
ANNETTE M. SANDBERG, ADMINISTRATOR  
FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION  
to the  
NATIONAL INDUSTRIAL  
TRANSPORTATION LEAGUE (NITL)  
SPRING TRANSPORTATION FORUM  
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On behalf of President Bush and Transportation Secretary Mineta, I want to thank you for inviting me to be here with you today. I know Jeff Shane spoke to you earlier about the challenges facing freight transportation in all modes.

In the trucking sector alone, we're facing our own growing concerns. This afternoon I want to discuss how the Federal Motor Carrier Safety Administration (FMCSA) is addressing the challenges of trucking safety.

**Safety Goal**

All of you in National Industrial Transportation League (NITL) play an important role in safety. This is done by working more closely with the trucking industry on various issues, such as waiting time at the loading docks, the availability of rest areas, driver shortages, and carrier quality. These are issues that impact motor freight efficiency and safety. But I believe they also illustrate how important shippers are to the process of saving lives on our nation's highways.

This is critical to the U.S. Department of Transportation (DOT), and specifically in the FMCSA — it is at the very *heart* of what we do. In 2003, nearly 43,000 people died on our nation's highways. Of that number, nearly 5,000 deaths were related to commercial motor vehicles. DOT has set an aggressive goal of decreasing fatalities on our nation's highways. We are committed to reducing the fatality rate by 41 percent from 1996 to 2008.

We know particularly in the trucking sector that's a very challenging goal because the truck miles traveled are increasing faster than vehicle miles traveled. Additionally, traffic crashes put an estimated \$230 billion strain on our economy each year. This clearly contributes to the bigger picture of how transportation impacts the nation's economic growth.

**Transportation Moving the Economy**

Getting the economy moving has always been a top priority for the President and his entire team. And, we're witnessing steady, consistent growth. We've added more than three million new jobs in the last 22 months.

One measure of our growing economy is DOT's Transportation Services Index (TSI). The TSI measures month-by-month changes in freight transportation activity among for-hire industries. The TSI stands at its *highest level* in the 15-year period for which we have data. In fact, from

December 2004 to January 2005, the TSI rose a dramatic 1.9 percent. This is the single biggest gain in almost eight years.

Altogether, our transportation system annually carries more than 16.3 billion tons of freight — valued at over \$12 trillion. It shows just how much keeping our economy moving depends on keeping *America* moving. As the economy continues to take off, we at DOT project freight volume will increase by more than 50 percent in the next 20 years. While economic growth is welcome, it clearly makes our task at the FMCSA that much more challenging.

### **NITL/Trucking/FMCSA Collaboration**

I believe we're all partners in the effort to keep the wheels of economic improvement turning safely and efficiently. So, it's very important to FMCSA to help shippers work more closely with the trucking industry to continually gain a better understanding of each other's best practices.

I think we made a very good start in 2004. We began working with NITL and the Truckload Carriers Association to update a pamphlet on Voluntary Guidelines. This also will include a few of *our* priorities, such as clarification on truck drivers' Hours of Service.

The reason I mention the Guidelines is that I think there are opportunities to continue working with various segments of the industry to try to identify best practices and make sure we understand what each other does. In fact, I had an opportunity this last week to go to Owens Corning in Toledo, Ohio. Afterward, I went back to the office and told the staff that more of us have to visit shippers' sites and hear the challenges that you're facing with all modes of transportation, not just the one that we work in. It was really valuable for me, and I think it helps us have a better appreciation of how the regulations we create and enforce impact all of you.

### **Reauthorization/SAFETEA**

Another area where we look to your partnership is on the larger scale of legislation. One of our biggest priorities at DOT has to do with Congress passing reauthorization. We've been waiting over a year-and-a-half. We don't know when the reauthorization bill will be coming down the pike. We hope that it's soon. I can tell you that within the FMCSA we have a number of priorities we really need to get passed in that bill.

Your Spring Transportation Forum is well-timed. Right now you have a great opportunity to talk about your priorities to key members of the Senate — and even to members of the House who likely will serve on the Conference Committee — and tell them to pass reauthorization. None of us wants a seventh extension of TEA-21. The Administration has made clear that we need a reauthorization bill very soon.

We appreciate NITL's efforts to help ensure Congress enacts a long-term program. In the meantime, the Administration is working with Congress to pass a reauthorization bill that includes the Administration's priorities. These priorities will improve safety and capacity on our roads, bridges, and highways, and provide greater flexibility for addressing many freight transportation concerns. We urge all of you to encourage the House and Senate to pass a reauthorization bill before the end of this summer.

### **Hours of Service**

In February, DOT sent to Congress revised language on the Administration's reauthorization proposal. In that language, we had a number of very specific positions — one was on the Hours of Service. Since I spoke to you last year, we've gone through quite a bit. We are extremely concerned about doing rulemaking by litigation. The parties that brought this litigation have already made it very clear that if there are not significant changes to the HOS rule, we will be in court again. And that's what we've been stressing to members of Congress.

Since the Court threw out the rule last year, we have been working to craft a new rule. In the meantime, Congress gave us a 1-year reprieve. So, we have until September 30 of this year to draft a new rule. As many of you know, the NITL submitted comments to our rulemaking docket. We are in the process of getting that rulemaking done — and I can tell you right now, it *is* on track to be done by September 30 of this year.

In the meantime, we're running a parallel track, and those are the adjustments we sent up to Congress in February. In those adjustments we asked Congress to codify the existing HOS rule. I believe the existing HOS rule provides the appropriate safety that we need on America's highways, and I've been expressing that to Congress. We're hoping that they'll take that language, put it in the reauthorization bill, and get it passed.

The concern that I have at this point is that if Congress doesn't pass the reauthorization bill before September, we still have to issue a rule. So, in the meantime we're continuing down both paths. If we don't have reauthorization by September, we *will* have a rule by September 30. I'll continue working with various members in both the House and the Senate to convince them to codify the existing rule.

One other piece we have that will be coming out very soon, that may be of interest to some of you, is kind of a carve-out section of that rule that has to do with electronic onboard recorders, or EOBRs. We still have an obligation, even though we did an Advance Notice of Proposed Rulemaking on EOBRs last year. We are reviewing all comments that came in, and we are working on drafting a Notice of Proposed Rulemaking that we hope to have out by January 2006.

### **HOS Exemptions and Best Practices**

As Congress considers our HOS proposal, we're also concerned about suggested exemptions to the rule. I can tell you, one of my concerns about exemptions is that if you make the rule look enough like Swiss cheese, you'll make it completely ineffective.

We're asking members of Congress not to consider exemptions. The more groups that ask for exemptions, the more it detracts from our underlying quest, which is to codify the basic HOS rule. Additionally, we're trying to work with representatives of the industry to agree to get the basic rule codified first, give us an opportunity to move forward, and look at other changes we may need to make to the rule in the future.

### **Fuel Surcharges**

Another concern I'd like to bring you up to date on is fuel surcharges. As all of you know, the price of diesel fuel has gone up significantly. The Bush Administration believes the allocation of

those costs is best accomplished through the marketplace, not through the government and regulation.

Imposing fuel surcharges would reverse a quarter-century of U.S. economic policy, considering how we've benefited from the deregulation of transportation services. So, we are urging the Senate to drop the mandatory surcharge language proposed in the House reauthorization bill.

### **Cargo Securement**

Cargo Securement is another area where we have been working specifically with members of your association. The Cargo Securement Rule went into effect the same time as HOS. But since the rule took effect, there have been a number of concerns from members of the industry. We've been working to fine-tune the requirements and respond to those concerns.

On April 21st and 22nd, FMCSA is hosting a public meeting in Albuquerque on implementing the North American Standard for cargo securement. This will address the harmonized standards between the US and Canada.

We're also looking at drafting another proposed rulemaking to address some of the concerns that we've heard from carriers and industry on changes that we need to make that underlie the rule. So, we'll continue to work with your association as we move forward in that area.

### **Hazardous Materials (HazMat) Security**

I know that HazMat security also impacts many of you. It's an issue that is as much about homeland security as it is about safety. As of January 1, 2005, a motor carrier transporting certain types of Hazardous Materials must obtain a Safety Permit from our Agency. This rule was mandated by Congress.

The Hazardous Materials that require a safety permit include certain radioactive, explosive, and toxic materials, as well as large shipments of liquefied natural gases. HazMat carriers must meet safety and security fitness standards that address their safety rating, security program, and other requirements. Since January, we've already identified a number of carriers that have concerns about these regulations.

Again, I want to stress that these were regulations that were mandated by Congress. I know there's becoming a greater and greater concern for those that ship HazMat that several agencies are imposing regulations. We want to be sensitive to that and work with carriers to help them meet those requirements.

### **Intermodal Chassis**

The last issue that I would like to talk to you about has to do with intermodal chassis. I know this is an issue that has concerned many in the industry. Actually, I have really good news. We are getting ready to move ahead with the rulemaking on intermodal chassis safety. Recently, the American Trucking Associations (ATA), Association of American Railroads (AAR), and Ocean Carrier Equipment Management Association (OCEMA) came to an agreement on intermodal chassis language and how those chassis would be maintained and repaired. That language was inserted into the Senate version of Reauthorization last week.

I'm very happy about this because it's always good to hear how private parties have worked out their issues, rather than have government get in the middle of it. We are closely watching the language that has been agreed to by ATA, AAR, and OCEMA on the maintenance and repair of intermodal chassis. Basically, the language that's been inserted in the Senate bill makes up the framework for our rulemaking, and I think it's going to be something that everyone can agree on. So, it gives us a direction, and it's also another reason we need to get reauthorization passed.

### **Involvement in Rulemakings**

As I've said, we have many opportunities to work with all of you on the various rulemakings. Most important, again, I would encourage you to focus on reauthorization. It's especially important to FMCSA because it will be our first reauthorization as a stand-alone agency. We didn't exist when the last reauthorization was passed, and so it provides us with very clear direction on where we need to go in the next few years.

Again, I would like to thank the NITL for all the opportunities we've had to work with you. As I've told a number of your members, one of the things I stress to our staff in FMCSA is that if we can craft a *good* proposal, people will react to the good parts to make the proposal even better. We really want to talk to you at the front end, rather than wait for you to react to something we've crafted without your input.

So, we hope we have opportunities to keep working with your association and your various members on issues that concern us both. I want for you to become involved in our rulemakings *early* in the process. We're eager to your receive your comments at the onset, rather than waiting to respond to proposals late in the process. Understanding your concerns is critical to many of the issues we regulate, and your involvement early on will help to ensure rules that support your productivity.

### **Close**

I want to thank you again for the opportunity to be here today.